



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Eagle Bancshares, Inc. & First Eagle Bank

Person to be contacted regarding this report:	Patrick Kaveney
CPP Funds Received:	\$7,500,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	9/11/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1492956
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	25883
City:	Hanover Park
State:	Illinois

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The Bank's commercial lease loan portfolio volumes have trended higher since obtaining CPP funds in 2009.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The Bank has increased it's securities portfolio since CPP funds were obtained in mid September '09. Agency MBS and CMO's were among the securities purchased.
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input checked="" type="checkbox"/>	Reduce borrowings	The Bank was able to reduce its outstandings for brokered CDs and FHLB borrowings since obtaining CPP funds.
<input checked="" type="checkbox"/>	Increase charge-offs	Partial use of CPP funds allowed the Bank to charge-off loans in 4th quarter '09 without realizing a decrease in the Bank's risk based capital ratio.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The 4th quarter 2009 saw the Bank realize some charge-offs to its loan portfolio. By obtaining the CPP funds in mid September '09, the Bank actually saw its risk based capital ratio increase from 12.72% at the beginning of 2009 to 14.48% by year end.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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